

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 641 - Court Procedures and Fees (LSB 1376 HV.3)

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Fiscal Note Version – As Amended by the House

REVISED

Description

House File 641, as Amended by the House, relates to the Judicial Branch practices and procedures, including issuance of a driver's license when delinquent on court obligations, and the distribution of court revenue to cities and counties, and the State. The Amendment allows a waiver of the \$25 praecipe filing fee for political subdivisions of the State if a county attorney or their designee collects the delinquent debt. The Amendment also allows a person who has a suspended license to enter into an installment agreement with the county attorney under Section 321.210B, Code of Iowa, to pay the fine, penalty, court cost, or surcharge and to get the person's license reinstated by the Department of Transportation.

Background

- House File 807 (FY 2006 Judicial Branch Appropriations Act) increased the filing fee for the collection of debts after an order or the debtor has received judgment.
- In FY 2006, the State General Fund received \$1.9 million in revenue from the \$25 praecipe filing fee.
- As of February 28, 2007, the State General Fund has received \$1.0 million from the \$25 praecipe filing fee for FY 2007.
- There are currently 32 county attorneys or county attorney designees that collect delinquent court debt.
- Of the delinquent debt collected, 35.0% of the amount recovered by the county attorney or their designee is deposited into the County General Fund and 65.0% is deposited into the State General Fund. Once \$1.2 million has been distributed to the General Fund under Section 602.8108, Code of Iowa, the remainder will be deposited as follows: 35.0% to the County General Fund, 33.0% to the county attorney or their designee, and 32.0% to the State General Fund.
- This formula was put into the Code as an incentive for the collection of old, outstanding court debt.
- In FY 2006, the \$1.2 million cap was exceeded by \$1,100.

Assumptions

- The \$25 filing fee will continue to be taxed as a court cost in every case, both civil and criminal.
- The Judicial Branch will continue to collect from the defendant.
- In FY 2007, the monthly collections are approximately \$137,000, which is approximately \$1,644,000 annually.
- For the State to receive \$1.2 million and reach the cap in Section 602.8107(4), Code of Iowa, there would need to be approximately \$1,850,000 generated through collections, of which the State would receive 65.0% or \$1,200,000 and the county general fund would receive 35.0% or \$647,500. Once the cap is met, the second half of the formula kicks in

which allows the county general fund to keep 35.0%, the county attorneys to keep 33.0%, and the State General Fund to receive 32.0%.

- Although revenues for this type of collection increased slightly from FY 2006 to FY 2007, there is no way to determine if collections will continue to increase. However, it is likely that when Polk County starts participating, additional money will be coming in to both the State General Fund and the county general fund under the formulas, assuming the county attorney offices are successful in collecting old, outstanding court debt.
- The fiscal impact assumes the cap will remain at \$1.2 million which includes the \$300,000 to the Courts and the \$900,000 to the General Fund.

Fiscal Impact

House File 641 as Amended notwithstanding Section 602.8107(4), Code of Iowa, and Section 602.8108, Code of Iowa, for FY 2008 to allow the Judicial Branch to retain the first \$300,000 of the \$1.2 million to be deposited into the General Fund for the State's percentage of the revenue collected. This reduces receipts to the State General Fund by \$300,000 in FY 2008.

The fiscal impact of the \$25 praecipe filing fee being waived for political subdivisions is anticipated to be a minimal revenue reduction to the General Fund.

Sources

Judicial Branch
Department of Transportation

/s/ Holly M. Lyons

April 28, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
